



# WASHOE COUNTY

"Dedicated To Excellence in Public Service"

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CM/ACM \_\_\_\_\_

Budget \_\_\_\_\_

DA n/a

Comptroller n/a

HR n/a

Other n/a

## STAFF REPORT

BOARD MEETING DATE: December 8, 2015

**DATE:** 11/17/15  
**TO:** Board of County Commissioners  
**FROM:** Mary Solorzano, Acting Comptroller  
328-2659, msolorzano@washoecounty.us  
**THROUGH:** Joey Orduna Hastings, Assistant County Manager  
328-2000, jhastings@washoecounty.us  
**SUBJECT:** Acknowledge Receipt of the Interim Financial Report for Washoe County  
Governmental Funds for the three months Ended September 30, 2015 -  
Unaudited (All Commission Districts)

### SUMMARY

The attached report is submitted to provide information regarding the County's financial operations by reviewing activity for governmental funds, excluding component units, for the three months ended September 30, 2015. Financial activity for the General Fund is also provided.

**Strategic Objective supported by this item:** Stewardship of our community

### PREVIOUS ACTION

Unaudited interim financial reports are provided to the Board quarterly, in addition to the audited comprehensive annual financial report for the fiscal year ending June 30.

### BACKGROUND

Governmental Funds include the General Fund, which is the County's primary operating fund and accounts for resources and operations that are not required to be accounted for in other funds due to restrictions on funding sources or activities imposed by legal, policy or reporting conventions, fourteen special revenue funds, two debt service funds and four capital projects funds. Significant variances between the years are discussed, as are budget to actual variances.

### FISCAL IMPACT

There is no fiscal impact in acknowledging receipt of the report of the County's current financial position.

### RECOMMENDATION

It is recommended that the Board of County Commissioners acknowledge receipt of the Interim Financial Report for Washoe County Governmental Funds for the three months ended September 30, 2015 - Unaudited.

### POSSIBLE MOTION

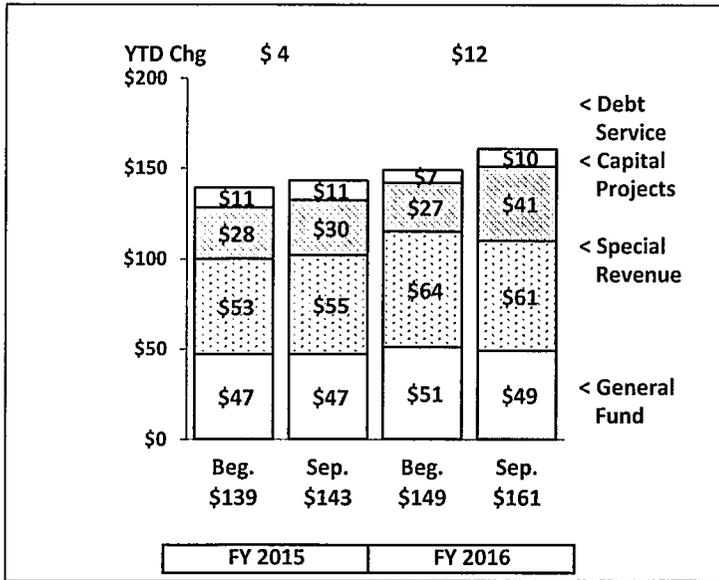
Should the Board agree with staff's recommendation, a possible motion would be to "move to acknowledge receipt of the Interim Financial Report for Washoe County Governmental Funds for the three months Ended September 30, 2015 – Unaudited."

AGENDA ITEM # UC

**Washoe County Governmental Funds – Fiscal Year 2015/2016**  
**Interim Financial Report for the Three Months Ended September 30, 2015 - Unaudited**

*All \$ in millions unless otherwise noted.*

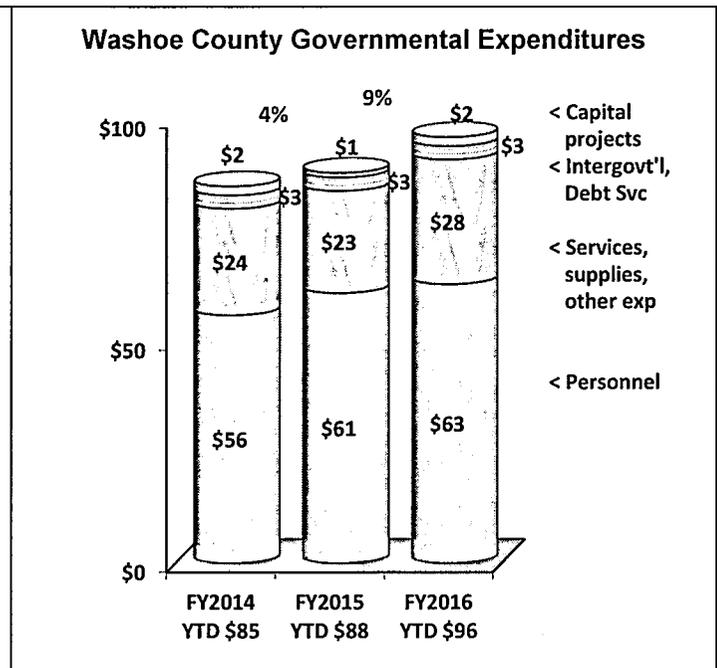
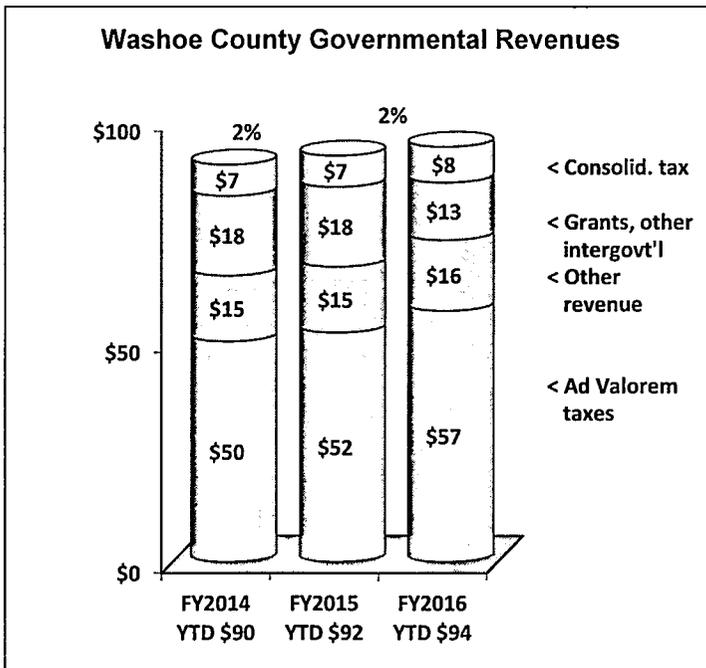
**GOVERNMENTAL FUND BALANCE**



- **Total Governmental Fund Balances** increased \$12 million year-to-date and \$18 million year over year.
- Fund balances for **Capital Project** funds increased from the prior year by \$11 million due to proceeds from debt issuance for the medical examiners building project.
- Fund balances in the **General Fund** increased \$2 million over prior year due primarily to increases in ad valorem taxes.
- Fund balances for **Special Revenue Funds** decreased \$3 million year-to-date due to decreased intergovernmental revenue for grant billing timing and increased capital expenditures for road improvements.

**REVENUES AND EXPENDITURES**

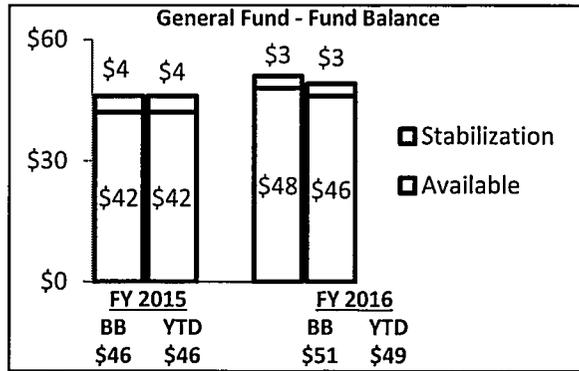
- **Total Governmental Revenues** are 2% over prior year, driven by increases in Ad valorem taxes. Ad valorem taxes are 9% over prior year after the first distribution of real property taxes. Consolidated taxes have been received for the month of July and are up 7% over prior year.
- **Total Governmental Expenditures** increased 9% or \$8 million over prior year. Personnel costs increased \$2 million over prior year due to increases in insurance and retirement benefits expense. Services, supplies and other expenses increased by \$5 million due to increases in professional services, software maintenance, placement costs for youth camps and child protective services, and operating transfers to the Health Division and Child Protective Services.



# Washoe County Other Governmental Funds – Fiscal Year 2015/2016

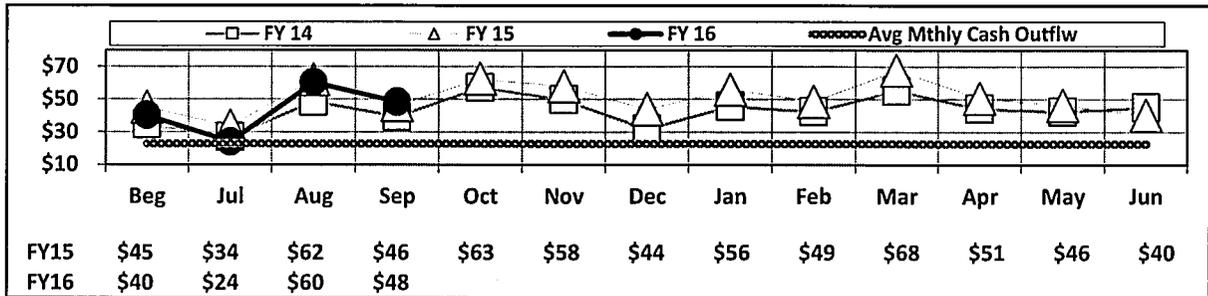
Interim Financial Report for the Three Months Ended September 30, 2015 - Unaudited

All \$ in Millions unless otherwise noted.



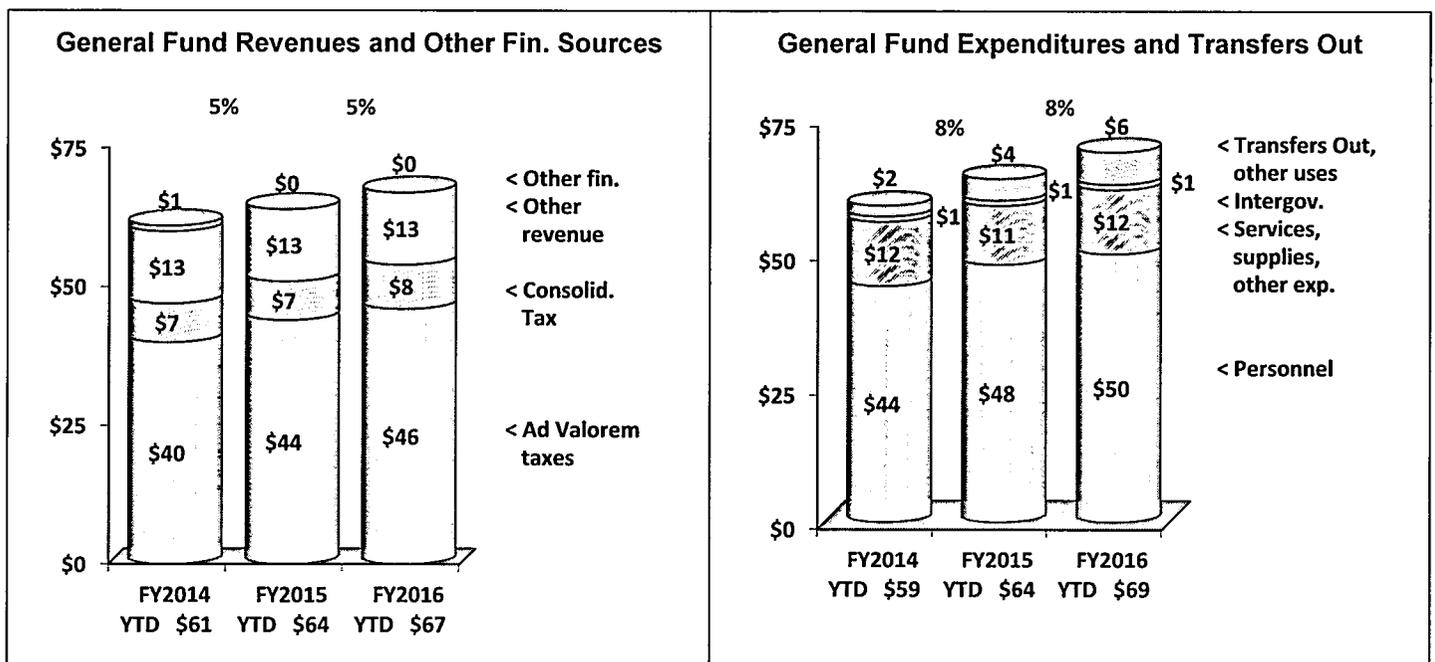
- General Fund fund balance decreased \$2 million year-to-date. The General Fund includes a \$3 million balance for stabilization which is not available for general operations. The Board of County Commissioners, on April 28, 2015 reduced the amount of stabilization funds to a fixed \$3 million from the previous policy of 1.5% of expenditures and other uses.
- The available portion of cash balance (below) is \$4 million higher than prior year. The available cash portion of fund balance excludes cash held for stabilization and funds held as deposits in the Courts and other departments.
- The cash balance continues to be monitored during low points in July and August before the first distribution of property tax is received at the end of August.

## Trend of Available Cash



## REVENUES, EXPENDITURES, AND OTHER FINANCING

- **Revenues** and other financing sources are 5% over prior year. Ad valorem taxes increased by 6% after the first real property tax distribution. Consolidated taxes increased 7%. **Expenditures** plus transfers out have increased \$5 million over prior year led by higher personnel costs for employee benefits.

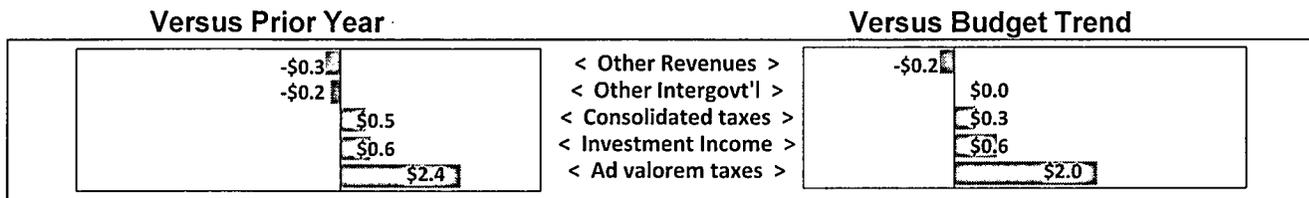


# Washoe County Other Governmental Funds – Fiscal Year 2015/2016

Interim Financial Report for the Three Months Ended September 30, 2015 - Unaudited

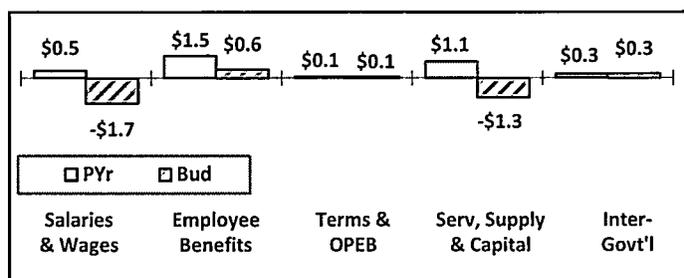
All \$ in Millions unless otherwise noted.

## KEY CHANGES IN REVENUES



- Consolidated taxes have been received for the month of July and are 7% ahead of prior year.
- Ad valorem taxes are 6% over prior year due to increased assessed valuation.

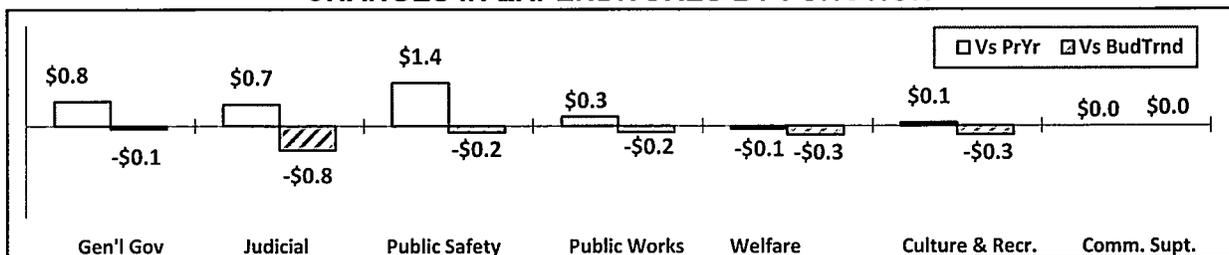
## CHANGES IN EXPENDITURES BY CATEGORY VERSUS PRIOR YEAR AND BUDGET TREND



Note: To provide better operating comparisons, the analysis separates voluntary separation incentives and OPEB contributions from other personnel costs.

- Personnel costs are above prior year due to increased benefit costs.
- Services, supplies and capital outlay costs are above prior year due to increased software maintenance costs, placement costs for youth camps, and expendable equipment purchases for Technology Services infrastructure and the Sheriff's office.

## CHANGES IN EXPENDITURES BY FUNCTION



- Expenditures increased from prior year for most functions. The increase in Public Safety is led by higher personnel costs.
- Welfare activity decreases are based on statutory guidelines and are required to be made from the General Fund before the resources in the Indigent Tax Levy Fund can be used. They are expected to be on budget by year-end.

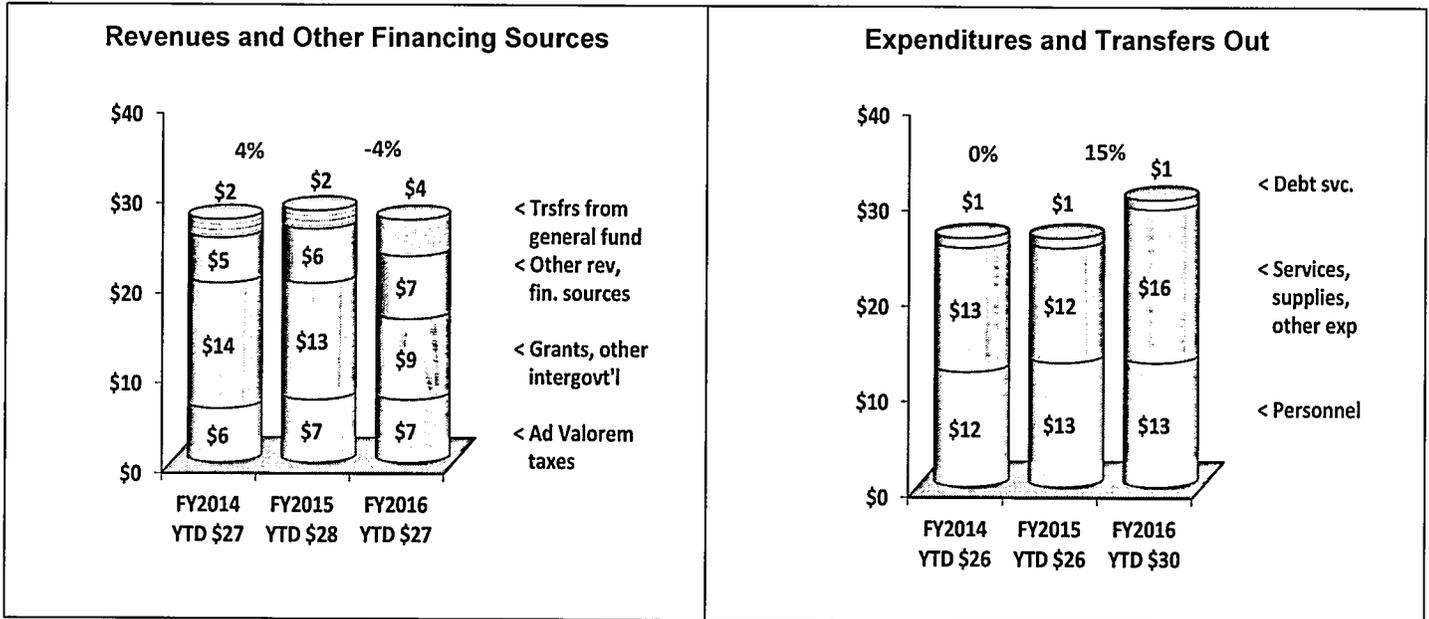
# Washoe County Other Governmental Funds – Fiscal Year 2015/2016

Interim Financial Report for the Three Months Ended September 30, 2015 - Unaudited

*All \$ in Millions unless otherwise noted.*

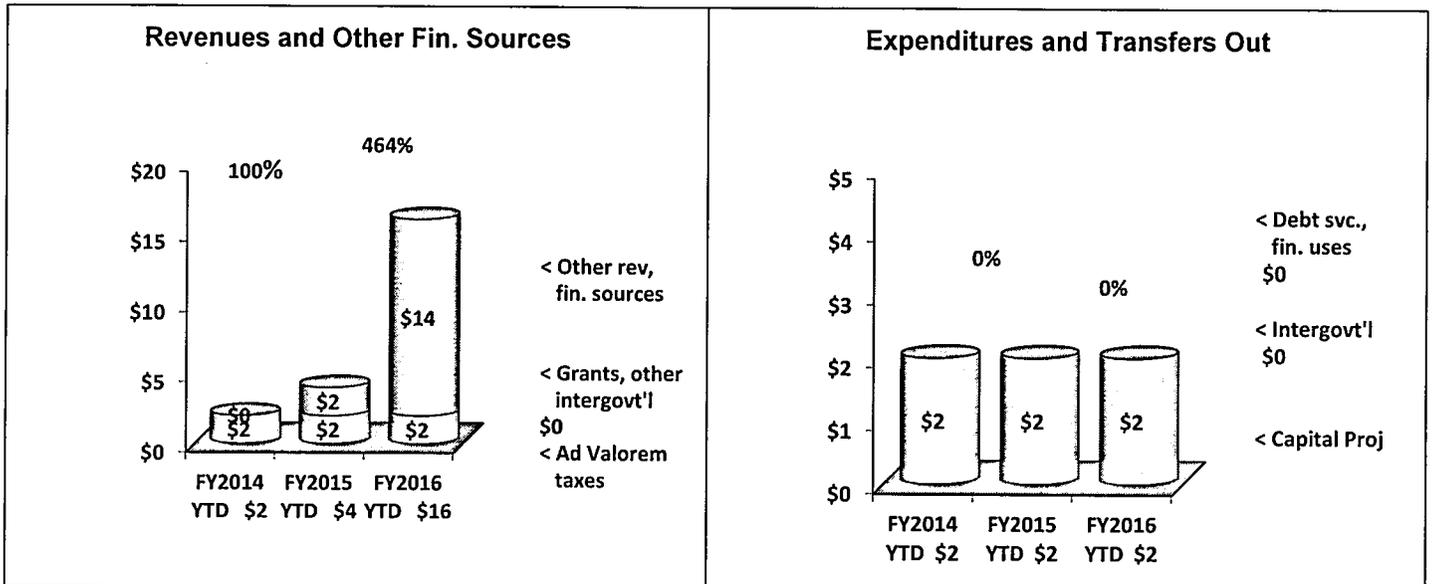
## SPECIAL REVENUE FUNDS

- **Revenues** and other financing sources are 4% lower than in prior year, primarily due to timing of grant billings for Child Protective Services.
- **Expenditures** plus transfers out increased 15% over prior year due to capital expenditures in the Roads Fund for road improvements.



## CAPITAL PROJECTS FUNDS

- **Revenues** and other financing sources have increased 464% from prior year due proceeds from debt issued for the Medical Examiners building project.
- **Expenditures** plus transfers have remained level.



# Washoe County Other Governmental Funds – Fiscal Year 2015/2016

Interim Financial Report for the Three Months Ended September 30, 2015 - Unaudited

*All \$ in Millions unless otherwise noted.*

## BUSINESS TYPE FUNDS

Note: To provide better comparative figures business area 10 for the Utilities Fund was excluded from the analysis.

- Operating revenue is unfavorable over prior year for Golf Course Fund and Building and Safety Funds. The Golf Course Fund operating revenue decrease is due to accrued revenue not yet received from the professional management services contractor. Building and Safety's decrease in operating revenue is due to a slight decrease in building permits issued. Operating expense increase for Utilities is due to increases in personnel costs and services and supplies. Non-operating revenue increases from prior year are due to unrealized gains on investments due to market swings.

	Budget	YTD	Pr. Year YTD	YTD versus	
				Budget	Pr. Year
<b>Utilities</b>					
Operating Revenue	\$ 14,120,775	\$ 3,891,549	\$ 3,410,652	28%	14%
Operating Expense	(16,817,692)	(2,991,240)	(2,248,874)	18%	33%
Operating Income/(Loss)	(2,696,917)	900,309	1,161,778	-33%	-23%
Capital Contributions	3,695,000	569,571	260,454	15%	119%
Nonoperating/Other	346,461	447,282	(201,215)	129%	322%
Change in Net Assets	\$ 1,344,544	\$ 1,917,162	\$ 1,221,017	143%	57%
<b>Golf Course</b>					
Operating Revenue	\$ 1,025,240	\$ 56,603	\$ 233,904	6%	-76%
Operating Expense	(1,065,967)	(277,063)	(274,921)	26%	1%
Operating Income/(Loss)	(40,727)	(220,460)	(41,017)	541%	437%
Nonoperating/Other	11,500	5,949	(465)	52%	1379%
Change in Net Assets	\$ (29,227)	\$ (214,511)	\$ (41,482)	734%	417%
<b>Building &amp; Safety</b>					
Operating Revenue	\$ 2,800,000	\$ 831,920	\$ 875,599	30%	-5%
Operating Expense	(2,478,695)	(566,602)	(469,923)	23%	21%
Operating Income/(Loss)	321,305	265,318	405,676	83%	-35%
Nonoperating/Other	7,000	14,701	(842)	210%	1846%
Change in Net Assets	\$ 328,305	\$ 280,019	\$ 404,834	85%	-31%